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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/022,153	12/14/2001	Steven W. Lundberg	684.001US2	5885

21186 7590 01/25/2007

SCHWEGMAN, LUNDBERG, WOESSNER & KLUTH, P.A.
P.O. BOX 2938
MINNEAPOLIS, MN 55402

EXAMINER	
KOPPIKAR, VIVEK D	
ART UNIT	**PAPER NUMBER**
3626	

SHORTENED STATUTORY PERIOD OF RESPONSE	MAIL DATE	DELIVERY MODE
3 MONTHS	01/25/2007	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

If NO period for reply is specified above, the maximum statutory period will apply and will expire 6 MONTHS from the mailing date of this communication.

Office Action Summary	Application No.	Applicant(s)	
	10/022,153	LUNDBERG, STEVEN W.	
	Examiner	Art Unit	
	Vivek D. Koppikar	3626	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *11 May 2006*.

2a)☒ This action is **FINAL**. 2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *52,59,61,68,166,173 and 174* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *52,59,61,68,166,173 and 174* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☒ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) Paper No(s)/Mail Date *5/11/06*.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other: _____.

DETAILED ACTION

Status of the Application

1. Claims 52, 59, 61, 68, 166, 173 and 174 have been examined in this application. This is a Final Office Action. The Information Disclosure Statement (IDS) statement filed on May 11, 2006 has also been acknowledged.

Claim Rejections - 35 USC § 103

2. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

3. Claims 52, 59, 61, 68, 166, 173, and 174 are rejected under 35 U.S.C. 103(a) as being unpatentable over US Patent Number 5,649, 177 to Landry.

(A) As per claim 52, Landry teaches a system having at least one first account (payor account) for paying at least some expenses incurred (Landry: Col. 6, Ln. 34-54);

using at least one second account to pay out-of-pocket costs (bills) incurred wherein at least some of the out-of-pocket costs are financed, and payments are specified for payment for payment using a computer (bill generator) (Landry: Col. 6, Ln. 30-54, Col. 6, Ln. 64-Col. 7, Ln. 5 and Col. 35, Ln. 36-58);

determining, using a computer, an associated expense for each of at least some of the financed out-of-pocket costs, wherein the associated expense

i) includes a finance charge that is at least in part dependent on financing the out-of-pocket cost for a period of time, wherein the period of time at least in part includes a portion that

occurs after the date of invoicing the client for the respective out-of-pocket costs (Landry: Col. 35, Ln. 36-58 and Col. 36, Ln. 46-51);

ii) and is determined substantially at the same time the corresponding out-of-pocket cost is specified to be paid (Landry: Col. 35, Ln. 36-58 and Col. 6, Ln. 47-51).

billing, using a computer, the one or more clients of the law firm for at least some of the financed out-of-pocket costs and for the associated expenses corresponding to the at least some out-of-pocket costs, wherein the billing for corresponding out-of-pocket costs and associated expenses are presented in the same invoice (Landry: Col. 35, Ln. 36-58).

Landry does not teach that the billing system is used by a law firm to pay the out-of-pocket expenses of clients. Landry does state that a motivation for using this system is to eliminate the necessity for multiple payees to make delivery of their respective bills to consumer payors and to allow the possibility of single delivery of bills from multiple payees to a payor. Based on this intended use of Landry the examiner takes Official Notice that, at the time of the invention, it would have been obvious for one of ordinary skill in the art to have employed the system of Landry in a law firm for the motivation stated above. At the time of the invention, a law firm would have implemented this system to pay the multiple payees of clients (e.g. Patent and Trademark Office, photocopying services, drawing generation services) and deliver these bills (in the form of one invoice covering all the expenses incurred for the payor) to the payor

Landry does not teach that the finance charge is dependent, in part, upon the duration of the period of time between billing and collection for the law firm, however, the examiner takes Official Notice that this factor is taken into account when calculating a finance or service charge. At the time of the invention, it would have been obvious for one of ordinary skill in the art to

have used this factor in calculated the finance charged owned by the payor (client) with the motivation of being able to recover interest on the uncollected portion of the balance from the client.

(B) As per claim 59, in the method of Landry the step of specifying the payment of the out-of-pocket costs comprises requesting that the out-of-pocket cost be paid at a future time (Landry: Col. 36, Ln. 24-51).

(C) As per claim 61, in the method of Landry the substantially at the same time comprises the same month (or day) the out-of-pocket cost was arranged to be paid in (Landry: Col. 35, Ln. 18-36).

(E) As per claims 68, 166, 173 and 174, these claims repeat features previously addressed in the rejection of claims 52, 59 and 61 and are rejected on the same basis.

Response to Arguments

4. Applicant's arguments filed on May 11, 2006 have been fully considered but they are not persuasive. The Applicant's arguments will be addressed in sequential order as they were presented in the "Remarks" section.

(1) Applicant's argue the following: If it is assumed that the payees are the vendors that are providing services to clients, it then logically follows that the client would be set up on the Landry system as a payor for these payees. If that were the case, then the client would pay its own costs directly through Landry's system, and the law firm would not be required to go "out-of pocket" for such costs. Accordingly, in this scenario, the Applicant's claimed subject matter would not come into play as there is no "out-of-pocket" cost to be concerned with. So,

according to this reading of Landry, Landry is used to set the client up to pay its expenses directly such that the law firm does not have an out-of-pocket expense at all to deal with.

To respond to this argument, the examiner would like to point out that the applicants do not provide passages in Landry that support their above stated interpretation of Landry. In addition, in Landry there a payee and a payee's agent (Landry: Col.18, Ln. 64-Co. 19, Ln. 5) and the examiner takes the position that in the instant invention the client is the payor, the law firm is the payee's agent and the vendors are the payees.

(2) Applicants argue the following: An alterative reading of the motivation to use Landry advanced by the examiner might be (but not admitted to be obvious in any way by the Applicant) that Landry is used to automate the permanent by the law firm of vendors (payees) that were providing services for the benefit of a law firm client. This reading makes less sense in the context of the problem addressed by the Applicant's claimed subject matter, as the problems addressed by the claimed subject matter do not include the burden of manually paying vendors. But, in any event, using this less logical approach, the vendors (providing a service for the benefit of a client) would be set up as payees of the law firm/payor in the Landry system. The law firm would then use the system of Landry to pay the vendors for such services. The bill payment system operator would in turn bill the law firm for its payment services (Landry's service fee noted in Col. 35, Ln. 36-58), and the law firm would pay the operator for such services - for example the operator may debit the law firm payor account.

The applicants interpret Landry in the following manner: In this scenario, the only parties presenting a bill are the vendors, who are presenting a bill to the law firm, and there is no accounting for any bill being generated by the law firm to the client. However, in the Applicant's

claimed subject matter, the only limitation pertaining to invoicing is this very invoice - the invoice from the law firm to the client. As such, this proposed reading of Landry fails to include teaching for the only invoicing limitation in the Applicant's claims.

To respond to the applicant's contentions the examiner would first like to once again point out that the applicant's do not provide passages in Landry that support their above stated interpretation of Landry. Furthermore, the examiner takes the position that it is within the scope of the invention for the bill payment system operator to bill the law firm for the services, then the law firm would pay for these services and then finally the law firm would charge the payor (its clients) for these services that the law firm has paid for. In other words, the child payee in Landry is analogous to the vendor in the instant invention while the payee is analogous to the law firm while the client is analogous to the client.

(3) The applicants argue the following: The proposed use of Landry discussed above provides that any party (either vendor or client or otherwise) is to be invoiced for both an out-of-pocket cost and an associated expense in the same invoice, as required by the Applicant's claims.

Applicants further interpret Landry to teach that in either scenario described above the "associated expense" is presumably the fee charged by the system operator to make automated payments for the law firm. That would either be invoiced separately to the client or law film, depending on who was the payor. Applicants further argue that these invoices would not contain a billing for the associated expense paid by the service (the supposed out-of-pocket costs). However, the applicants do not provide any support in the form of any passages from Landry for this above mentioned interpretation for Landry. In addition, the examiner would like to point out

that in Landry a client (payor) is in fact charged an associated expense in the same invoice as the client is charged for the "out-of-pocket" cost (Landry: Col. 35, Ln. 42-45).

(4) The applicants argue the following: The applicants argue that the examiner has interpreted the payor to be the client Landry to mean that the payor is the client. Applicants further argue that if the payor is the client, then this configuration would be inconsistent with the above noted configuration wherein the payor is the law firm paying the vendors on behalf of the clients. Nonetheless, the applicants argue, if the payor is the client, the client vendors would be the payees, and therefore the vendors would be the ones, in this posited configuration, that would have to be the parties that bill the client payor for the interest.

To respond to this argument, the examiner would like to point out that the applicants have not provided support in the form of passages from Landry that support this above mentioned interpretation of Landry. Furthermore, the examiner points out that Landry teaches a payee's agent (Landry: Col. 18, Ln. 64-Col. 19, Ln. 5) which by its very definition means that a payee bills a payee's agent which in turn bills the payor. Therefore, in Landry the payee (vendor) bills the law firm (payee's agent) and the payee's agent, in turn, passes on these charges to the payor. The examiner takes the position that charging a service and finance charge (interest) is well known and it is obvious for any party billing any other party for an expense that they have incurred for the other party to charge the other party interest or a finance charge. The examiner takes Official Notice with respect to the feature. Finally, the applicants have not challenged the examiner's taking of Official Notice.

(5) The applicants argue that Landry does not disclose law firms or finance charges. However, the examiner would like to point out that the system of Landry is intended to be used

by entities that pay bills (Landry: Col. 1, Ln. 1-9) and the examiner takes the position that this includes a business such as a law firm. Furthermore, as noted above, Landry teaches finance charges (Landry: Col. 35, Ln. 42-45). The applicants further argue that Landry does not teach the concept of using at least two accounts to pay expenses, however, the examiner takes the position the position that it is well known in the art to have multiple accounts for multiple entities and the examiner takes Official Notice of this feature.

(6) Applicants argue that Landry teaches that a client's service charge should be billed separately. They go on to state that the Examiner additionally specifies that the billing of the client by the law film is met by the billing process described in (Landry: Col. 35, Ln. 36-58). That passage, however, describes that the so-called associated expense" (which by the way makes no mention of a finance or loan charge portion) is separately billed, and not combined in a bill to the payor with the underlying charges in it. However, Landry does in fact disclose this very limitation (Landry: Col. 35, Ln. 42-45 and Col. 36, Ln. 50-51).

Conclusion

5. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

US Patent Numbers 5,655,008; 5,933,817 and 5,956,700 disclose systems wherein a third party or intermediary party pays bills for another party.

6. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a). A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is

not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

7. Any inquire concerning this communication or earlier communications from the examiner should be directed to Vivek Koppikar, whose telephone number is (571) 272-5109. The examiner can normally be reached from Monday to Friday between 8 AM and 4:30 PM. If any attempt to reach the examiner by telephone is unsuccessful, the examiner's supervisor, Joseph Thomas, can be reached at (571) 272-6776. The fax telephone numbers for this group are either (571) 273-8300 or (703) 872-9326 (for official communications including After Final communications labeled "Box AF"). Another resource that is available to applicants is the Patent Application Information Retrieval (PAIR). Information regarding the status of an application can be obtained from the (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAX. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, please feel free to contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Sincerely,

VK

Vivek Koppikar

6/13/2006

JOSEPH THOMAS
SUPERVISORY PATENT EXAMINER